

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION

1775 Duke Street, Alexandria, VA 22314

DATE: November 2009 LETTER NO.: 09-CU-22

TO: Low-Income Designated Credit Unions

**SUBJ: Community Development Revolving Loan Fund –
Funding Round**

**ENCL: 2009 Community Development Revolving Loan Fund –
Program Guidance and Loan Application**

Dear Boards of Directors:

The National Credit Union Administration (NCUA) is preparing to open the Community Development Revolving Loan Fund (CDRLF) Loan Program for calendar year 2009.

Congress established the CDRLF to support credit unions that serve low-income communities. To fulfill this objective, the CDRLF provides low-interest rate loans and technical assistance grants to qualifying credit unions, known as low-income designated credit unions (LICUs). Qualifying credit unions may borrow up to \$300,000.

The CDRLF Loan Program application window will open on November 4, 2009 and close on December 30, 2009. Announcement of awards will occur on March 1, 2010.

Funds are to be utilized for projects that provide new or improved products or services to existing members and extend services to potential members and the community. The following list, while not all-inclusive, provides examples of acceptable uses for CDRLF loans:

- Providing new services or expanding existing services, such as ATM machines, and debit/credit card services to members;

- Extending technology to members through web services, such as online deposit and loan services, online bill pay, and website design and implementation;
- Relocating or renovating credit union offices in new or expanded geographic areas;
- Providing alternatives to payday lending;
- Offering outreach services, such as translation, financial education, and homeownership counseling; and,
- Supporting credit union community financial education efforts, e.g., curriculum taught in a foreign language.

Additional information is contained in the attached “2009 Program Guidance and Loan Application.” Credit unions may view information on the CDRLF and other resources for small credit unions at:

<http://www.ncua.gov/Resources/CreditUnionDevelopment/Finance.aspx>.

By opening the loan fund in 2009, NCUA continues supporting credit unions’ efforts to provide financial and related services to their members; improve the long-term growth and stability of credit unions; and thereby improve credit unions’ capacity to serve their members and communities.

Sincerely,

Debbie Matz
Chairman

Enclosure